

**REMARKS**

Presently, claims 194, 197-200, 202 and 213-233 are pending in the application. Claims 195-196, 201 and 203-212 have been canceled. Claims 194 and 198 have been amended to more particularly point out the present invention. New claims 213-233, including new independent claim 220 have been added to further define the present invention. Support for the amendments to claims 194 and 198 and the features of new claims 213-233 may found, for example, at page 37, line 19 – page 40, line 18 of the specification, as well as the specification text incorporated with the previous amendment and Fig. 14. Accordingly, no new matter has been added to the application by any of the foregoing amendments.

***Prior Art Rejection – § 103(a)***

The Examiner has rejected claims 194-196, 198-206 and 208-212 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,463,585 to Hendricks *et al.* (“Hendricks”) in view of U.S. Patent Publication No. 2003/0088872 to Maissel *et al.* (“Maissel”). The Examiner contends that Hendricks teaches all aspects of the present invention, with the exception of presenting an alternative advertisement when the targeted advertisement is fast-forwarded or skipped, such that at least a portion of the targeted advertisement remains visible to the subscriber. However, the Examiner further contends that Maissel teaches this feature, and concludes that it would have been obvious to modify the teachings of Hendricks with those of Maissel to improve advertising efficiency. Applicants respectfully traverse this rejection.

Hendricks teaches a system for providing television programming and targeted advertisements to consumer's homes. In Hendricks, information is sent from a program controller to local storage and/or real-time display in a consumer's terminal. The stored information may include control information, programming and/or advertisements. Additionally, Hendricks teaches that information related to users' preferences and/viewing actions or habits may be observed, retrieved and analyzed, such that a particular consumer terminal may be identified to a desired target category. The target category, based for example on demographic information, is utilized to determine which

advertisements to target at the consumer. Hendricks teaches that there are several different methods of conveying the desired advertisements to the audience. In one embodiment, Hendricks employs "feeder channels" to deliver the targeted advertisements. In such a system, when designated brakes in regular programming occur, the system switches to (or between) one or more alternate channel(s) that contain different, targeted programming (e.g., advertisements). The particular feeder channel that is displayed to the consumer may depend on the specific target audience. Thus, it may be advantageous to switch back and forth between the various feeder channels to display the most desirable ad. Hendricks further teaches that the switching plan may also be stored locally at the consumer's terminal. In another embodiment, the advertisements may be stored locally at the user's terminal for later display. Thus, the targeted advertisements are sent to the user's terminal prior to display and stored. When the designated program brake occurs, the locally stored advertisement is retrieved and displayed.

Maissel teaches an "intelligent agent" to be used in conjunction with an electronic program guide ("EPG"). The agent uses a preference profile to customize the EPG based, for example, on actually viewed programs for the purpose of eventually targeting desired advertisements to the consumer. The preference profile may include rules (based on current program characteristics or programs viewed), such that the agent "learns" the viewer's preferences. The agent may then broadcast programs according to preferences obtained from the viewer profile and store programs and/or advertisements locally at the viewer's terminal. Maissel's system includes the ability to disable one or more control features (e.g. fast-forward), so that commercials (targeted or otherwise) are not skipped by the viewer. In another embodiment, Maissel teaches imposing another event if the viewer does skip an advertisement. Specifically, Maissel teaches displaying a shortened version of a commercial if a commercial is intentionally skipped by the viewer. Maissel is silent with respect to the content and format of the shortened commercial.

Independent claim 194 recites:

A method of delivering targeted advertisements to a subscriber of a stored video system, the method comprising:

(a) selecting a video from the system;

- (b) determining available advertisement opportunities associated with the selected video;
- (c) selecting one or more targeted advertisements desired to be displayed to the subscriber, wherein the selected targeted advertisements correspond to the available advertisement opportunities;
- (d) delivering the selected video and the targeted advertisements to the subscriber;
- (e) presenting the selected video and the targeted advertisements to the subscriber on a viewing device; and
- (f) presenting, upon detection of a fast-forward or skip operation of the targeted advertisement, an alternative advertisement as a partial screen display in conjunction with the fast-forwarded or skipped advertisement, wherein the alternative advertisement and the fast-forwarded or skipped targeted advertisement are simultaneously presented to the subscriber and wherein the alternative advertisement is for a product or service directly related to the product or service of the targeted advertisement. (emphasis added)

Hendricks does not teach or suggest a method of delivering targeted advertisements that includes “presenting...an alternative advertisement as a partial screen display in conjunction with the fast-forwarded or skipped targeted advertisement, wherein the alternative advertisement and the...targeted advertisement are simultaneously presented to the subscriber wherein the alternative advertisement is for a product or service directly related to the product or service of the targeted advertisement.” Rather, Hendricks teaches a television delivery system that profiles and/or groups consumers and then delivers programming and targeted advertisements that correspond to the consumers’ profile or group. Although Hendricks teaches different ways of delivering the targeted advertisements, Hendricks does not discuss a consumer skipping, fast-forwarding or otherwise manipulating one or more of the targeted advertisements. Thus, Hendricks does not teach nor suggest what occurs when the consumer does attempt to skip or fast-forward through an original, targeted advertisement. Since Hendricks never discusses “presenting...an alternative advertisement,” Hendricks certainly does not teach or suggest presenting the alternative advertisement “as a partial screen display in conjunction with the fast-forwarded or

skipped advertisement, wherein the alternative advertisement and the fast-forwarded or skipped advertisement are simultaneously presented to the subscriber and wherein the alternative advertisement is for a product or service directly related to the product or service of the targeted advertisement,” as recited in independent claim 194. Accordingly, Hendricks does not teach or suggest all of the elements of independent claim 194.

Maissel also does not disclose the invention of claim 194, since Maissel does not teach or suggest “presenting...an alternative advertisement as a partial screen display in conjunction with the fast-forwarded or skipped advertisement, wherein the alternative advertisement and the fast-forwarded or skipped targeted advertisement are simultaneously presented to the subscriber.” Although Maissel teaches a television delivery system that (1) prevents the user from fast-forwarding or skipping an advertisement; or (2) imposes an alternate event if the user does fast-forward through an advertisement, Maissel does not teach or suggest a delivery method where an alternative advertisement is presented “as a partial screen display in conjunction with the fast-forwarded or skipped advertisement.” Rather, Maissel is silent with respect to the manner in which the alternative advertisement is displayed. Referring to Fig. 14 of the present application (for example, parts C – G), the alternative advertisement utilizes only a portion of the available display space on which the alternative advertisement and the targeted advertisement that is being skipped or fast-forwarded are displayed.

Maissel does also not teach or suggest that the alternative advertisement and the targeted advertisement that is fast-forwarded or skipped are presented to the subscriber simultaneously. Referring to Fig. 14 of the present application, when an alternative advertisement is presented to the subscriber, it is presented in conjunction with and simultaneously with the targeted advertisement (i.e., the original advertisement) that is fast-forwarded or skipped. Thus, the subscriber sees both advertisements (targeted and alternative) at the same time. Such a system has numerous advantages, including increased advertisement exposure and providing the subscriber with a realistic “look and feel” of actually fast-forwarding or skipping an advertisement. In contrast, Maissel merely discloses displaying a “meaningful shortened version of a full commercial” during fast-forward or fast backward through a program (see paragraph [394] of Maissel). Thus, Maissel does not teach or suggest that both the alternative advertisement and the

original, targeted advertisement are both displayed to the subscriber simultaneously. Moreover, Maissel does not even teach displaying multiple items (e.g., a program and an advertisement or two advertisements) at the same time, let alone teach the simultaneous display of the targeted advertisement along with the alternative advertisement.

Maissel does also not teach or suggest that any such alternative advertisement displayed by its system is “for a product or service directly related to the product or service of the targeted advertisement.” Maissel only discloses that a “meaningful shortened version of a full commercial” is displayed during fast-forward or fast backward through a program (see paragraph [394] of Maissel). Such language does not teach or suggest that the alternative (i.e., the shortened version of a full commercial) is directed to the same product/service as that of the commercial that was skipped. That is, Maissel does not teach or suggest that there is any relationship whatsoever between the alternative commercial and the skipped commercial. In Applicants’ invention, however, the alternative advertisement is directly related to the product/service of the targeted advertisement, such that the viewer is still exposed to some advertising time about the targeted ad, even though the viewer skips or fast-forwards through the targeted ad. Accordingly, Maissel does not teach or suggest all of the elements recited in independent claim 194.

Not only do Hendricks and Maissel not individually teach or suggest the present invention, but, even if these references are taken in combination as suggested by the Examiner, such a combination fails to teach or suggest all of the features of claim 194. More specifically, since neither reference teaches “presenting...an alternative advertisement as a partial screen display in conjunction with the fast-forwarded or skipped targeted advertisement, wherein the alternative advertisement and the fast-forwarded or skipped targeted advertisement are simultaneously presented to the subscriber and wherein the alternative advertisement is for a product or service directly related to the product or service of the targeted advertisement,” the combination of Hendricks and Maissel is also lacking at least these features. Accordingly, independent claim 194 is believed to be allowable of the combination of Hendricks and Maissel.

New independent claim 220 recites “presenting...an alternative advertisement as a partial screen display in conjunction with the fast-forwarded or skipped advertisement, wherein the alternative advertisement and the...targeted advertisement are simultaneously presented to the subscriber.” As discussed above with respect to independent claim 194, neither Hendricks nor Maissel teach or suggest these features. Furthermore, neither Hendricks nor Maissel teach or suggest that “the alternative advertisement is a compressed version of the targeted advertisement,” as recited in independent claim 220. As discussed above, Maissel does not teach that there is any relationship between the skipped, original commercial and the alternative commercial. The fact that Maissel indicates that the alternative commercial may be a “meaningful shortened version of a full commercial,” does not suggest that the alternative commercial is (a) in any way related to the original commercial; or (b) a compressed version of the original commercial. That is, Maissel’s disclosure merely suggests that the alternative commercial is shorter than a typical, full commercial. A shorter commercial is not the same as a compressed version of the targeted commercial. Accordingly, Hendricks and Maissel do not teach or suggest the invention of new independent claim 220, either individually or in combination.

Claims 198-200, 202, 213-219 and 221-233 are allowable at least by their dependency on independent claims 194 and 220, respectively. Claims 195-196, 201, 203-206 and 208-212 have been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 194-196, 198-206 and 208-212 over Hendricks and Maissel are respectfully requested.

***Prior Art Rejection – § 103(a)***

The Examiner has rejected claims 197 and 207 as being unpatentable over Hendricks in view of Maissel, and further in view of U.S. Patent Publication No. 2002/0129362 to Chang *et al.* (“Chang”). The Examiner contends that Hendricks and Maissel teach all aspect of the present invention as applied to independent claim 194 above, but acknowledges that neither Hendricks nor Maissel teach or suggest superimposing an alternative advertisement over the targeted advertisement. The

Examiner further contends that Chang teaches this feature, and concludes that it would have been obvious to modify the teachings of Hendricks and Maissel with Chang to result in Applicants' claimed invention. Applicants respectfully traverse this rejection.

Chang teaches a system to more efficiently target commercials to television viewers. In Chang, the user is permitted to select between commercials during a commercial time slot, without changing the particular television channel. The initial commercial is selected either by default or through application of a user profile. Once the initial commercial is played, the user may select an alternative commercial while still keeping the system tuned to the current channel. In Chang, the alternative commercial may be displayed through a picture-in-picture window, such that one or more alternative commercials may be played while the initial commercial plays in the background (see Fig. 6 of Chang).

For the same reasons discussed above with respect to the Examiner's rejection of claims 194-196, 198-206 and 208-212, Applicants respectfully submit that neither Hendricks nor Maissel teach or suggest all of the elements of independent claims 194 and 220. Accordingly, independent claims 194 and 220 are allowable over Hendricks and Maissel, taken either individually or in combination.

With respect to independent claim 194, Chang does not teach or suggest that the alternative advertisement(s) that are selected by the user for display are "for a product or service directly related to the product or service of the targeted advertisement." Chang does not teach or suggest that there is any relationship between the original commercial and the subsequently selected commercial. In contrast, Chang teaches that the alternative advertisements are for selection by the viewer when the initial commercial is undesirable for viewing. As such, the alternative commercials in Chang are for products/services that are different than those presented in the initial commercial. Thus, Chang actually teaches away from the concept of the alternative commercial being "for a product or service directly related to the product or service of the targeted advertisement," as recited in independent claim 194. Therefore, Chang does not teach or suggest all of the features of independent claim 194. As such, the combination of Hendricks, Maissel and Chang is still lacking at least this feature.

With respect to new independent claim 220, Chang does not teach or suggest that “the alternative advertisement is a compressed version of the targeted advertisement.” As discussed above with respect to independent claim 194, Chang does not teach or suggest that there is any relationship between the original commercial and the subsequently selected commercial. Moreover, the alternative commercial in Chang is played in the same time-period (i.e., length of time) as the original commercial. That is, Chang does not even teach or suggest that the alternatively selected commercial is shorter than the original commercial – simply that it is one that the user would more prefer to watch. Thus, the alternative commercial in Chang cannot be a “compressed version” of the original, targeted commercial. Therefore, Chang does not teach or suggest all of the features of new independent claim 220. As such, the combination of Hendricks, Maissel and Chang is still lacking at least this feature.

Furthermore, Applicants respectfully submit that there is no motivation to combine Chang to modify the teachings of Hendricks and Maissel, since Chang does not even discuss the concept of fast-forwarding or skipping commercials. Rather, Chang is directed to a system that does not address skipping or fast-forwarding of the original commercial. In Chang the user simply selects a different commercial (to watch in its entirety) during the designated commercial time slot. Thus, one skilled in the art would not look to Chang to modify the teachings of Maissel and/or Hendricks. Accordingly, independent claims 194 and 220 are believed to be allowable over the combination of Hendricks, Maissel and Chang.

Dependent claim 197 is allowable at least by its dependency on independent claim 194. Claim 207 has been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 197 and 207 over Hendricks, Maissel and Chang are respectfully requested

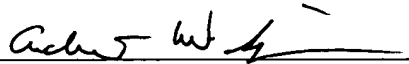


***Conclusion***

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejections have been overcome, and that the application, including claims 194, 197-200, 202 and 213-233, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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